

IN THE UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

In re	)	<b>Chapter 11</b>
	)	
W. R. Grace & Co., et al., <sup>1</sup>	)	<b>Case No. 01-01139 (JKF)</b>
	)	
	)	<b>(Jointly Administered)</b>
Debtors.	)	
	)	<b>Objection Deadline: May 2, 2003 at 4:00 p.m.</b>
	)	<b>Hearing Date: TBD only if necessary</b>

**SECOND MONTHLY FEE APPLICATION OF  
WACHTELL, LIPTON, ROSEN & KATZ  
FOR COMPENSATION FOR SERVICES RENDERED AND  
REIMBURSEMENT OF EXPENSES AS  
SPECIAL CORPORATE COUNSEL TO THE DEBTORS  
FOR THE PERIOD FROM OCTOBER 1, 2002 THROUGH OCTOBER 31, 2002**

Name of Applicant:	Wachtell, Lipton, Rosen & Katz ("Applicant")
Authorized to Provide Professional Services to:	The above captioned debtors and debtors in possession

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<sup>1</sup> The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.) CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a/ Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a/ Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc. ), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc., ), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a/ Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Company.

Date of Retention: May 3, 2001 (nunc pro tunc to April 2, 2001)

Period for which compensation and reimbursement is sought: October 1, 2002 through October 31, 2002 (the "Second Fee Period")

Amount of Compensation sought as actual, reasonable, and necessary: \$1,775.00

Amount of Expense Reimbursement sought as actual, reasonable, and necessary: \$87.60

This is a XX monthly     interim     final application.

Prior Applications filed:

Application	Date Filed	Period Covered	Fees Requested	Expenses Requested	Fees Approved	Expenses Approved
"First Fee Application"	November 19, 2002	April 2, 2001 – September 30, 2002	\$147,341.50	\$24,879.53		

Name of Professional or Paraprofessional Person	Position with the Applicant and Number of Years in That Position; Year of Obtaining Relevant License to Practice	Hourly Billing Rate	Total Billed Hours	Total Compensation
Deborah L. Paul	Tax Partner since 2001/ 5 years at Applicant/ admitted to Bar in 1991	\$425	3.40	\$1,445.00
David J. Passey	Tax Associate/ 1 year at Applicant/ admitted to Bar in 2000	\$330	1.00	\$330.00
	Total:		4.40	\$1,775.00
	Blended Rate:			\$403.41 per hour

Contemporaneous time records of all such professionals are attached hereto as Exhibit A. Applicant has determined not to apply for allowance of compensation for certain of the services shown on Exhibit A.

**COMPENSATION BY PROJECT CATEGORY**  
**October 1, 2002 through October 31, 2002**

Project Category	Total Hours	Total Fees Requested	Total Disbursements Requested
11 – Fee Applications, Applicant	0.00	\$0.00	\$0.00
15 – Litigation and Litigation Consulting	0.00 <sup>2</sup>	\$0.00	\$87.60
18 – Tax Issues	4.40	\$1,775.00	\$0.00

**EXPENSE SUMMARY**

<u>Expense Category</u>	<u>Service Provider</u> (if applicable)	<u>Total Expenses</u>
Courier Service	Tri-State Delivery Service	\$15.00
Duplicating		\$12.60
Meals—Attorneys	Judson Grill	\$60.00 <sup>3</sup>
<b>TOTAL</b>		<b>\$87.60</b>

Expense details are attached hereto as Exhibit B.

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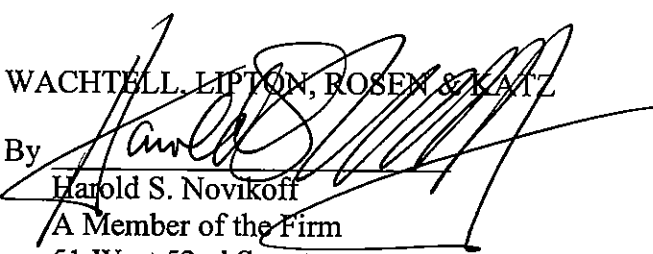
<sup>2</sup> Applicant did not render services to the Debtors in the “Litigation and Litigation Consulting” category in the Second Fee Period. The disbursements attributable to this category were rendered in the First Fee Period but, because bills for such expenses were not received or Applicant was otherwise unable to process such expenses through its internal accounting procedures before the end of the First Fee Period, Applicant seeks reimbursement herewith.

<sup>3</sup> Applicant is charging less than its actual costs in order to remain within the \$30 per meal guideline.

Dated: New York, New York  
April 7, 2003

WACHTELL, LIPTON, ROSEN & KATZ

By

  
Harold S. Novikoff

A Member of the Firm

51 West 52nd Street

New York, New York 10019

(212) 403-1000

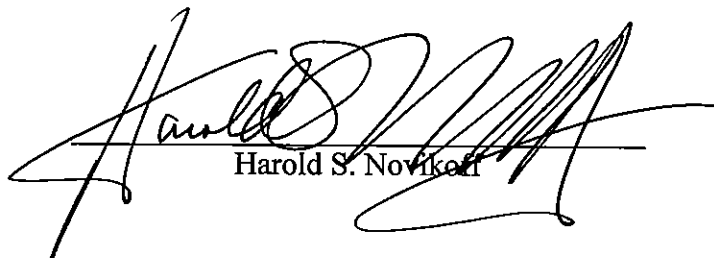
Special Corporate Counsel to the Debtors

VERIFICATION

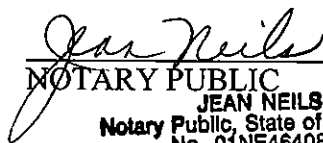
STATE OF NEW YORK       )  
  ) ss.:  
COUNTY OF NEW YORK    )

Harold S. Novikoff, after being duly sworn according to law, deposes and says:

1. I am a member of the applicant firm, Wachtell, Lipton, Rosen & Katz ("Wachtell, Lipton").
2. I have personally performed some of the legal services rendered by Wachtell, Lipton, and am generally familiar with the other work performed on behalf of the Debtors by the lawyers and paraprofessionals of Wachtell, Lipton, as special corporate counsel to the Debtors.
3. I have reviewed the foregoing Application and the facts set forth therein are true and correct to the best of my knowledge, information and belief. Moreover, I have reviewed the Local Bankruptcy Rules for the District of Delaware and the Amended Administrative Order Under 11 U.S.C. §§105(a) and 331 Establishing Revised Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members, signed April 17, 2002, and submit that the Application substantially complies with such rules and Order.

  
Harold S. Novikoff

SWORN and SUBSCRIBED  
before me this 7<sup>th</sup> day of April, 2003.

  
NOTARY PUBLIC  
JEAN NEILS  
Notary Public, State of New York  
No. 01NE4640899  
Qualified in Bronx County  
Certificate Filed in New York County  
Commission Expires November 30, 2005  
Notary Public, State of New York  
No. \_\_\_\_\_  
Qualified in \_\_\_\_\_ County  
Commission Expires \_\_\_\_\_

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: ) Chapter 11  
)  
W. R. GRACE & CO., et al.,<sup>1</sup> ) Case No. 01-1139 (JKF)  
) Jointly Administered  
Debtors. )

Objection Deadline: April 16, 2003 at 4:00 p.m.  
Hearing Date: TBD only if necessary

**FEE DETAIL FOR WACHTELL, LIPTON, ROSEN  
& KATZ, L.L.P.'S MONTHLY FEE APPLICATION FOR  
THE PERIOD FROM OCTOBER 1, 2002 THROUGH OCTOBER 31, 2002**

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<sup>1</sup> The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

**Exhibit A**

	Date	Initials	Name / Invoice Number	Hours	Amount	Description	Matter Number	Index
1	10/24/2002	0663	Beth Polebaum	1.60	480.00	Preparation of fee application.	03901-0007	1707311
2								
3	10/25/2002	0663	Beth Polebaum	0.40	120.00	Preparation of fee application.	03901-0007	1707314
4								
5	10/27/2002	0663	Beth Polebaum	0.60	180.00	Preparation of fee application.	03901-0007	1707317
6								
7	10/28/2002	0663	Beth Polebaum	4.10	1,230.00	Fee application preparation.	03901-0007	1707998
8								
9	10/29/2002	0663	Beth Polebaum	6.30	1,890.00	Draft interim fee application.	03901-0007	1709917
10								
11	10/29/2002	0288	Deborah Paul	2.40	1,020.00	Analyze Fresenius tax sharing agreement issue.	03901-0005	1714585
12								
13	10/30/2002	0663	Beth Polebaum	3.90	1,170.00	Draft of interim fee application.	03901-0007	1709918
14								
15	10/30/2002	0288	Deborah Paul	1.00	425.00	Analyze Fresenius tax sharing agreement issue.	03901-0005	1714586
16								
17	10/30/2002	0698	David Passey	1.00	330.00	Conf. with D. Paul, research issues governed by	03901-0005	1747441
18						tax sharing agreement.		
19								
20	10/31/2002	0663	Beth Polebaum	2.50	750.00	Preparation of first interim fee application.	03901-0007	1709923
21								
22			UNBILLED TOTALS: WORK:	23.80	7,595.00	10 records		
23			UNBILLED TOTALS: BILL:	23.80	7,595.00			
24								
25			GRAND TOTALS: WORK:	23.80	7,595.00	10 records		
26			GRAND TOTALS: BILL:	23.80	7,595.00			



**Exhibit B**

Client Name: W.R. GRACE & COMPANY

Report Description: Unbilled Recap of Cost [03/31/2003 10:08:22 AM]

	Date	Initials	Name / Invoice Number	Code	Quantity	Rate	Amount	Description
1	09/09/2002	0238	Andrew R. Brownstein	035	1.00	60.00	60.00	Travel - Out of Town Attys - Vendor:AMERICAN
2								EXPRESS COMPANY 100802.0238A (JUDSON GRILL
3								W/R.MAZUR)
4			Voucher=307746 Paid					Vendor=AMERICAN EXPRESS COMPANY Balance=.00 Amount=.00
5								
6	10/03/2002	0281	Andrew Nussbaum	010	84.00	0.15	12.60	Duplicating
7								
8	10/03/2002	0281	Andrew Nussbaum	006	1.00	15.00	15.00	TriState Job #: 35017
9								Called by: E. WALSH
10								From: 619 WEST 54TH STREET
11								To: 51 WEST 52ND STREET
12			Voucher=297420 Paid					Vendor=TRI-STATE DELIVERY SERVICE Balance=.00 Amount=3099.
13								
14			UNBILLED TOTALS: WORK				87.60	3 records
15			UNBILLED TOTALS: BILL:				87.60	
16								
17			GRAND TOTAL: WORK:				87.60	3 records
18			GRAND TOTAL: BILL:				87.60	